Rhode Island Housing and Mortgage Finance Corporation
Minutes of the Meeting of the Credit Committee
July 11, 2023

A Special meeting of the Credit Committee of Rhode Island Housing and Mortgage Finance Corporation ("RIHousing") Board of Commissioners was held on Tuesday, July 11, 2023 at 9:30 a.m. The meeting was held at the main office of the Corporation, 44 Washington Street, Providence, RI 02903, Conference Boardroom and via telephone conference call.

Carol Ventura, Executive Director, opened the meeting and introduced Carl Rotella, Director of Information Technology, who outlined the parameters of the meeting.

Mr. Rotella stated that (i) this meeting would be recorded and available for review on the RIHousing website within 3-5 business days after the meeting and (ii) except for specific RIHousing staff participating telephonically in the meeting, all callers would be muted during the meeting. Mr. Rotella also asked that to prevent any feedback or background noise, telephone participants to please mute the telephone if not speaking. Additionally, Mr. Rotella announced that if during the meeting anyone had technical difficulties with audio or accessing the call, they should call (401) 457-1240.

Next, Corinne Myers, General Counsel, provided additional guidance for the meeting. Ms. Myers stated that members of the public could visit the RIHousing website to view the agenda and information on the actions being taken and in the event the teleconference was interrupted, staff would stop the meeting until audio was restored.

Ms. Myers also stated that Committee Chairman Orth would preside over the meeting and requested that any Commissioner or staff member state their name prior to speaking for the benefit of listeners and to mute the phone when not speaking. She then invited Committee Chairman Orth to call the meeting to order.

A quorum being present, Committee Chairman Orth introduced himself and officially called the meeting to order at approximately 9:34 a.m. Committee Chairman Orth then invited Ms. Ventura to proceed with the roll call of Commissioners in attendance.

Ms. Ventura conducted a roll call of Commissioners participating in the meeting. Commissioners participating were: Committee Chairman Orth; Sara Cabral, Designee for Elizabeth Dwyer, Director of the Department of Business Regulation; and Maria Barry.

RIHousing staff participating were: Carol Ventura, Executive Director; James Comer, Deputy Executive Director; Kara Lachapelle, Chief Financial Officer; Anne Berman, Director of Real Estate Development; Christine Hunsinger, Chief Strategy and Innovation Officer; Corinne Myers, General Counsel; and Carl Rotella, Director of Information Technology.

Chairman Stefan Pryor, Secretary of Housing was also present. Additionally, members of the public were present via teleconference.

The following matters were then discussed by the Committee.

1. Approval of Minutes of the Credit Committee Meeting Held on June 7, 2023

Committee Chairman Orth asked for a motion and a second for the approval of the minutes of the Credit Committee meeting held on June 7, 2023. A motion was duly made by Commissioner Barry and seconded by Commissioner Designee Cabral.

There being no discussion, Corinne Myers, General Counsel conducted a voice vote of the Commissioners for the approval of the minutes of the Credit Committee Meeting held on June 7, 2023.

The Commissioners unanimously voted to approve the minutes.

Ms. Myers then stated that the following was adopted:

VOTED: That the minutes of the Credit Committee Meeting held on June 7, 2023, are hereby approved.

1. Approval of Proposed 2024 Qualified Allocation Plan (QAP)

Committee Chairman Orth announced that Ms. Berman, Director of Real Estate Development would provide information on the revisions to the proposed 2024 Qualified Allocation Plan. The Committee Chairman asked Ms. Berman to review the changes proposed and the Committee would comment when they had questions to a particular change.

Materials presented to the Committee explained that pursuant to the Revenue Reconciliation Act of 1989, each low-income housing tax credit ("LIHTC") allocating agency must adopt a Qualified Allocation Plan (the "Plan" or "QAP") that establishes the priorities and criteria for both allocating and monitoring LIHTCs. The allocating agency must conduct a public hearing and a subsequent public comment period on the Plan prior to the Plan being finalized and presented to the Governor for approval.

RIHousing has administered the LIHTC program in Rhode Island under a Plan that was first adopted in January 1990. The Plan was last amended in August 2022. The 2024 Plan is being adopted as a guidance document in accordance with the Rhode Island Administrative Procedures Act. Rather than being filed with the Office of the Secretary of State, the Plan will be immediately available on the RIHousing website.

Staff proposed the changes summarized below to the following sections of the Plan. These changes seek to amplify and explain our goals and procedures.

SECTION	**CHANGE**	**REASON**
Throughout Plan	Ministerial changes	Updates for 2024
Section I(B) (Page 8)	Revised approximate small state minimum	Update for 2024
Section I(B) (Page 9)	Added reference to the tax-exempt bond financing section located in Section IV of the QAP	To differentiate more clearly the 4% LIHTC process from the allocated 9% process

Section I(C)2 (Page 10)	Identified that the Office of Housing and Community Development is now part of the Department of Housing	Clarification
Section I(C)3 (Page 10)	Added language regarding the number of Rhode Islanders experiencing homelessness	Ensure the need for permanent supportive housing is clearly articulated
Section I(D)13 (Page 16)	Strengthened language regarding marketing of units to households with housing choice vouchers	Helps to emphasize the need for broad based marketing of newly developed units to all potential households
Section I(H) (Page 17)	Added language regarding permanent supportive housing for households experiencing homelessness	Ensure the need for permanent supportive housing is clearly articulated
Section II(A) (Page 22)	Changed up to 3 funding rounds to multiple funding rounds	Clarification
Section III (Page 25)	Removed language regarding a preference for mid-sized developments	Requested by Department of Housing
Section III (Pages 25 & 26)	Clarified language regarding preservation transactions	Identified by a stakeholder as confusing; revised language better clarifies intent
Section III (Page 26)	Revised LIHTC Review criteria	Clarification
Section III (Pages 26 & 27)	Deleted absolute total development cost (“TDC”) as a Threshold Criterion	Requested by Department of Housing
Section III(A)(5) (Page 31) & Index	Deleted TDC as a Threshold Criterion	Requested by Department of Housing
Section III(B) (Pages 31 & 32)	Updated point allocation summary to reflect scoring changes	Revised scoring summary
Section III(B) (Page 35)	Modified language associated with financial leveraging	Delete reference to non-RIHousing or non-State resources during this period of ARPA available funding
Section III(B) (Pages 35 & 36)	Increased points associated with the provision of housing for households with incomes at or below 30% of area median income (“AMI”) from 6 to 25 points and	Make this point category equal to TDC in importance. In addition, to emphasize the underwriting requirements for 30% AMI units and add clarification to the 30%

	reallocated points based on total number of units	AMI units without supportive services
Section III(B) (Pages 36 & 37)	Modified language associated with planning/zoning approvals	Delete references to building permits and clarify the type of municipal permitting bodies that may need to provide approvals and how applicants may demonstrate compliance
Section IV (Page 49)	Modified language regarding the process for applying for tax exempt financing and 4% LIHTC	To differentiate more clearly the 4% LIHTC process from the allocated 9% process

Staff held two meetings with stakeholders to discuss current trends in the construction industry, market challenges, community needs, scoring categories and point allocation, challenges associated with both urban and non-urban development, as well as differing community needs. In general, stakeholders voiced few concerns about the current QAP, though total development costs, fluctuating interest rates and continued increases in construction costs continue to be a challenge for developers. In addition, the Department of Housing requested changes that (i) emphasize the need for permanent supporting housing, including an increase in points awarded for the development of permanent supportive housing for 30% AMI households, (ii) emphasize the importance of project based operating support for 30% AMI units, (iii) delete total development cost as a threshold criterion, (iv) more clearly differentiate the tax exempt bond/4% LIHTC process from the allocated 9% LIHTC process, and (v) address additional ministerial changes.

A blacklined copy of the proposed Plan was included as part of the July 11, 2023 Credit Committee package.

The 2024 Plan will become final upon (i) the expiration of the public comment period; (ii) final approval by the Board of Commissioners of the 2024 Plan (including any changes reflective of public comments received and/or comments from the Credit Committee); (iii) approval by the Governor; and (iv) posting to the RIHousing website.

Ms. Berman said that the public comment period would begin on or about July 12, 2023. A public hearing would be held following the publication of the proposed 2024 Plan, with final submission to the Board of Commissioners expected in August 2023.

Committee Chairman Orth thanked Ms. Berman for the introduction and asked for a motion and a second to recommend to the Board of Commissioners Approval of Proposed 2024 Qualified Allocation Plan (QAP).

A motion was duly made by Commissioner Barry and seconded by Commissioner Designee Cabral.

A robust discussion followed the presentation. Committee Chairman Orth acknowledged staff's efforts in clarifying language, considering changes proposed by the Department of Housing and incorporating feedback received from the Committee.

Ms. Berman pointed out the administrative changes but used her time to explain the more substantive changes presented. She said that staff expanded the language to describe tax-exempt bond financing. Historically the Corporation has not utilized 4% credits for new construction, however, the market and timing may make it beneficial to employ the tax credits for new construction. Due to the additional resources currently available, RIHousing can utilize bond financing for new construction. Committee Chairman Orth mentioned that there are developers that might want to use just the 4% credits for new deals, and recommended staff expand the relevant QAP section in the coming years.

Committee Chairman Orth addressed the clarification recommended by the Department of Housing on page 16 noting that to meet the challenge to house individuals experiencing homelessness, staff has strengthened language regarding marketing of units for households at 30% AMI or below. The Chairman wondered if sponsors should be held accountable to ensure that they meet that need. The Chairman suggested recommending that developers include the units on the statewide website and notify local PHAs of their availability in order to promote access to housing choice vouchers.

Ms. Ventura assured the Committee that staff can add context to the QAP for that condition. Ms. Berman explained that Asset Management already encourages landlords to post on the Statewide Housing locator any available units. Furthermore, Asset Management endeavors to align developers with HCVP units and to select from the coordinated wait list where applicable.

Chairman Pryor asked if RIHousing should add language to that effect or provide that recommendation on its website. Ms. Berman assured the Committee that staff can do both.

Ms. Ventura mentioned that it is a major initiative of the Communications department to align developers with HCVP units and promote from the coordinated wait list.

Next, Ms. Berman reported that on page 17 staff outlined the need for permanent supported housing for households experiencing homelessness and/or the 30% AMI populations.

Committee Chairman Orth commented that the clarification about the need for permanent supportive housing for the extremely low-income population is clearly articulated and well emphasized. Committee Chairman Orth asked if language should be inserted regarding the amount of operating subsidy available and how many units the subsidy can support.

James Comer, Deputy Executive Director stated that it's an open question, and in the fall, HPF-ELI and ERA 2 dollars will likely be available for operating support for the developments. Mr. Comer was hesitant to specify a number due to the uncertain final amounts of the subsidies.

Christine Hunsinger, Chief Strategy and Innovation Officer informed the Committee that staff is working extremely hard to have the ERA2 dollars designated for that purpose. Ms. Hunsinger estimated that the funds would serve approximately 200 units for 20 years in compliance with ARPA regulations and guidelines.

Committee Chairman Orth mentioned that in other states, the funding is only for two (2) years. He felt that the subsidy should be allocated for five (5) to 15 years to make a significant difference.

Mr. Comer remarked that when RIHousing reviews a transaction, staff does expect a 20 year HAP contract to ensure the viability of the project. Mr. Comer did say that RIHousing can refine the language to state that the operating subsidies are required for the entire compliance period of the contract. Ms. Berman elaborated by saying that it is required by the syndicators.

Ms. Berman also said that historically there are developments where 80% of the units have a HAP contract and staff works hand in hand with the syndicators to ensure that the condition is met. Ms. Berman speculated that 15 years would be a reasonable term to apply to the QAP. However, Section 811 vouchers have a five (5) year term. Ms. Berman would prefer not to include a limitation in the guidelines. She said that normally the determination is addressed by the developer and the underwriting structure.

Mr. Comer agreed, saying that RIHousing doesn't review long term operating subsidy. Typically the syndicators will, as the risk is on the developers' side.

Continuing, Mr. Comer further clarified that RIHousing is subsidizing the units. It's a way for the Corporation to manage risk. Ms. Berman confirmed that it's an underwriting issue and Ms. Ventura stated that the difference is with coordinating for the low-income units. The distinction is between the voucher holders and those on the coordinated entry system.

Commissioner Barry noted that depending on the transaction, the responsibility rests with the investor lender. It's based on how the guarantees are structured.

Commissioner Barry also advocated coaching the developers to designate a percentage of units for low-income residents. Ideally, everyone would like to see allocations of 30%, 60% and 80% AMI units for each project. That combination is successful and works well for the community. However, the 30% AMI units require services and more support. Commissioner Barry asked what staff prefers; 100% affordable, 30% AMI, mixed income developments, or a different strategy.

Ms. Ventura mentioned that RIHousing doesn't often get developers with 100% of units designated affordable for 30% Extremely Low-Income (ELI) households. Not many sponsors have the expertise or background in that area.

Ms. Berman stated that RIHousing's scoring mechanism typically rests between 10% to 20% ELI affordable. Anything over 20% of ELI unit allocation receives added points. Staff has seen a significant number of deals with 21%. Specifically, the QAP incentivizes mixed income developments. The Corporation rarely finances a development that has more than 20% units set aside for ELI households.

Mr. Comer noted that for the developers it's challenging to determine the optimal operating range to ensure that the development is successful.

Ms. Berman further elaborated by saying that the QAP differentiates the units by extremely low-income that require supportive services and units for families that are ELI but do not necessarily require supportive services.

Ms. Berman then noted the next modification, the deletion of absolute total development cost as a threshold criterion on pages 26 and 27, which had been requested by the Department of Housing.

The Committee Chairman highlighted that the total development cost (TDC) was deleted as a threshold criterion. He acknowledged that in the past, several projects have required waivers. The Committee Chairman felt that there's value in including the limit to encourage cost efficiency. He proposed including it as a recommended total development cost limit under number seven (7) on page 27 of the QAP, where reasonable costs are specified. The Committee Chairman also suggested specifying cost limits for the various type of units produced, such as single family, midsized or urban. He mentioned itemizing them under one single category or creates differentiating classifications.

Ms. Berman assured the Committee that those specific limits are published annually in the Developers Handbook.

Chairman Pryor mentioned that as the limits are itemized in the first page of the handbook they can also be referenced in the instruction manual to be more detailed. Ms. Berman confirmed that staff can include the limits in the manual.

Committee Chairman Orth remarked that the idea is that the TDC cost can be higher than what is used for scoring purposes. He informed the Committee that a transaction might be presented that bears a higher total cost. The application might not score as well as a project that is more cost efficient, but the deal can still be viable as long as the project does not exceed the total development cost criteria. If there's a specific reason the project goes over the limit, such as prevailing Davis Bacon wages or environmental issues that justify the increase, then the project can go over the recommended limit.

Ms. Berman said that prior to eliminating the TDC criteria, staff did the math and inserted a maximum that was approximately a 5% increase. Ms. Berman was not positive what the actual cap was but said it was about $450,000.

Chairman Pryor thanked Ms. Berman and Committee Chairman Orth for the clarification. He stated that what the Department of Housing wants to accomplish is to have less of a hard cap and encourage efficiency. He mentioned that Amy Boyle from the Department of Housing was on the teleconference and asked if the changes made sense or if she had any questions regarding issuing a hard cap on total costs and ways to incentivize efficiencies. Ms. Boyle stated that she was comfortable with the recommendations.

On a related topic, the Committee Chairman also wondered if staff has considered issuing a limit on the number of eligible credits that are allowed per unit. He stated that the National Council of State Housing Agencies (NCSHA) recommends that in their best practices.

Mr. Comer explained that there is a cap of 40% allowable credits per project that translates to approximately $1.25 million. Staff wants to ensure that the projects are viable. Mr. Comer said that staff will analyze recent years' data for consistency.

Chairman Pryor asked if Committee Chairman Orth recommended limits on TDC cost, on the credits or establishing guidance per unit or some other input. Committee Chairman Orth clarified less of a cap and more something else.

Ms. Ventura mentioned that it makes sense to have some flexibility in the program. There are instances when a cap is appropriate and times when it's not feasible. For instance, Crossroads RI has an enormous project, but it's highly expensive.

Chairman Pryor agreed that in certain circumstances where meritorious projects such as Crossroads RI are presented, the flexibility is justified.

Commissioner Barry concurred with Ms. Ventura and Chairman Pryor. She stated that less structure allows for broader conversations with developers. If the program is too stringent, then potential customers will walk away.

Committee Chairman Orth liked the idea of incentivizing developers and starting with a simple point method. He felt that approach is more attractive to potential investors. He suggested incentivizing them with a simple point method for the credits. Ms. Berman stated that staff does score credits per unit. She remarked that 20 points are awarded for the most efficient use of the Low-Income Housing Tax Credits (LIHTC).

Chairman Pryor mentioned that he did not comment on the removal of language regarding a preference for mid-sized developments. He said that at one time it made sense for embracing more boutique style developments, but in this climate, its not as important.

Ms. Berman then commented that on pages 31 and 32 staff updated the scoring summary.

Committee Chairman Orth expounded by noting that the scoring criteria increased from 138 points to 157 points. The 15% increase is to address the needs of the very low income and special needs population. He said that it's a big boost in that one category and mentioned that if a developer includes green energy, the points allocated are three (3) and five (5) points for preservation. Committee Chairman Orth stated that it's a substantive increase.

Ms. Ventura confirmed that detail, stating that the increase reflects the recommendations and the priorities of the Department of Housing.

James Comer, Deputy Executive Director revealed that the methodology was in consideration of the point in time data received recording the recent increase in homelessness. The strategy addresses that particular need.

Ms. Berman stated that if a project does not have the operating subsidy, it's much more challenging to evaluate. If a development features 30% AMI units without subsidies, it's much more difficult to underwrite. RIHousing has added language regarding the importance of operating subsidies to ensure those units are financially successful.

Continuing, Ms. Berman commented that page 35, Section III B modified language associated with financial leveraging, acknowledging the fact that there's a significant amount of State and ARPA funds available for financing options.

Also, that section increased points associated with the provision of housing for households with incomes at or below 30% of area median income (AMI) from six (6) to 25 points and reallocated points based on total number of units. The reason for the modification is to make the category equal to TDC in importance, to emphasize the underwriting requirements for 30% AMI units and to add clarification to the 30% AMI units without supportive services. Additionally, the applicant must identify the operating subsidies for underwriting purposes to ensure financial feasibility for a 30 year commitment.

Continuing, given the deep need for affordable units, and the availability of subsidies for this cycle, it made sense to increase the points allocated. Ms. Berman then informed the Committee that all the ERA 2 operating funds must be fully committed by yearend 2024.

Furthermore, two (2) categories were identified where if a developer is partnering with a service provider, they can receive up to 25 points; or if a developer offers 30% AMI units but is not focused on the coordinated entry system or supportive services the points cap at 18 and can decrease to nine (9) points.

Committee Chairman Orth understood the category to mean that a developer can receive up to 25 points if they provide services to the 30% AMI or homeless population or if it's the special needs population and has services. He wanted to know if there are specific requirements that defines special needs such as elderly, etc.

Ms. Ventura said that it is defined as persons with disabilities and/or elderly. Commissioner Designee Cabral mentioned that nationally there is language to define that category. Ms. Berman confirmed that fact.

Committee Chairman Orth wanted to know if the Department of Housing's intent was to address the very low income sector or anyone with special needs.

Chairman Pryor mentioned that the objective was not that detailed, underscoring that the lowest income population takes priority.

Committee Chairman Orth made the inquiry to ensure that all the points are not directed solely for the elderly.

Ms. Ventura and Ms. Berman stated that the description can be broadened to state non-elderly or special needs. She said that staff will clarify the distinction.

Committee Chairman Orth also observed that the language states that service providers are intended for persons with special needs. Ms. Berman said that language will also be refined.

Committee Chairman Orth next declared that the QAP should state that the services furnished should be appropriate for the population served.

The Committee Chairman then addressed the service plans for people with special needs. He wanted to know if plans are required for all instances and appropriate for the populations served.

Committee Chairman Orth also discussed the matter that most of the projects are ½ a point different from each other. He suggested that consideration be given to allocating points for a percentage of units designated as affordable and to eliminate the separate buckets such as awarding points per percentage of units. As an example, the Committee Chairman mentioned that if 18 units are deemed affordable, then 18 points would be awarded for the project. Furthermore, staff could use the percentage of total number of units per number of units.

Ms. Berman understood that the Committee Chairman was concerned with matching the 25 points for the total development cost (TDC) and coming in with a lower percentage. It's a graduated approach. However, Ms. Berman said that she would take the recommendation into consideration and review the math to properly address the issue.

Committee Chairman Orth felt that it would be better to use a percentage of total number of units than actual number of units.

Mr. Comer pointed out the different scale of the projects. Using a percentage is more significant when addressing a project with a higher number of units. However, it would not be as useful on smaller projects.

Committee Chairman Orth commented that instead of giving points for a percentage of units, RIHousing could award points for each unit.

Ms. Ventura said that staff's goal is to encourage developers with 80 plus units.

Committee Chairman Orth said it depends on whether staff wants to incentivize total number of units or percentage designated as affordable units.

Chairman Pryor recommended staff ascertain what the market is capable of achieving and adjust accordingly.

Ms. Comer highlighted Crossroads RI where 100% of the units constructed are affordable. That project received the maximum number of points allowable. In order to construct as many affordable units as possible, RIHousing wants to promote developers who are typically not in that category. Staff is endeavoring to incentivize developers that do not normally consider affordable housing options.

In addition, Ms. Ventura said that RIHousing also needs to encourage and foster new and existing relationships with partners in the social service sector to maximize efforts. Unfortunately, there isn't one solution that fits all scenarios, but RIHousing can provide incentives for a percentage of units to be constructed as affordable units.

Ms. Berman allowed that in the QAP there are other metrics involved that are based on percentages. For consistency purposes, she said, it's best to maintain the percentage benchmark. Staff can revisit the issue and the end result might amount to less than the 25% criterion.

Committee Chairman Orth also addressed the social services component that is critical for a development to be successful. He acknowledged that it's difficult to locate experienced provides.

Ms. Ventura stated that there are few developers in Rhode Island that undertake 50 units of supportive housing. There are limitations for most developers. There are developers in the market that incorporate supportive housing in a development as a percentage. Ms. Ventura emphasized that it does not matter how many units a development has. It's a question of fostering relationships with specific providers and aggressively monitoring the results. Rhode Island Housing is assertively directing sponsors to employ Resident Services Coordinators for their properties. The Resident Services Coordinators rely on the service providers for the residents' mental health and medical issues and it makes a world of difference to have those coordinators on site.

Commissioner Barry agreed. She acknowledged that Crossroads RI is highly skilled in providing services and has cultivated great relationships. Additionally, Crossroads is experienced in fundraising to successfully address the financial needs. Incentivizing the developers to provide services and employing coordinators will help. Logistically it is feasible but challenging. Just sharing the idea of incorporating social services helps. Rhode Island is not the only state that faces that dilemma. Most states have the same predicament.

Committee Chairman Orth then speculated that offering a list of pre-approved social services providers might improve the situation. Ms. Berman said that there are numerous providers in the industry and it's up to the individual developer to establish partnerships. Most developers have fostered standing relationships with selected providers and utilize those services. Ms. Berman did mention that the relationship can be regional or statewide. As Rhode Island is such a small state, most of the social services providers are known entities.

Commissioner Designee Cabral wondered if the level and/or quality of services afforded is measured.

Mr. Comer explained that RIHousing requires that the developer review the qualifications of their providers. The Corporation reviews the service agreement and number of services to be implemented for the residents. RIHousing is not in a position to make a determination on the level of capability. RIHousing's expertise is in underwriting the deals, not in verifying the quality of services provided to the residents. That consideration resides with the developer/owner.

Ms. Berman elaborated that the QAP has a section that is specific to prioritizing social services. A developer can achieve up to four (4) points for providing services such as childcare, job training, GED classes etc. A sponsor might receive the 18 points for providing services overall, but they can be diverse services.

Mr. Comer elaborated by saying that the services need not be just for the 30% AMI units but also for family developments.

Christine Hunsinger, Chief Strategy and Innovation Officer stated that as part of the Robert Wood Johnson grant, funds are earmarked to create tool kits for the providers to measure the effectiveness of services delivered. RIHousing is addressing the issue by incentivizing the creation of the units that offer services and to improve the level of services available for low-income residents.

Committee Chairman Orth asked if other state agencies are involved in that initiative.

Ms. Hunsinger said that a steering committee was formed to include other agencies such as the Department of Health and Human Services, Behavioral Healthcare, Developmental Disabilities & Hospitals, the Department of Housing and others to collaborative, share ideas and establish best practices and methods to evaluate the effectiveness of the program. The funding is allocated through the end of the year.

Ms. Ventura said that a number of HFAs were awarded the grants and expects to put together a report by September. Ms. Ventura hopes that there's more money allocated so that the HFAs can utlize the tool kits. Ms. Berman maintained that the following year's QAP will reflect the results of these efforts.

Moving forward, Ms. Berman noted that pages 36 and 37 adjusted the language related to planning/zoning approvals. Staff deleted references to building permits and to clarify the type of municipal permitting organizations that may need to provide approvals and how applicants may demonstrate compliance. On average, when developers submit an application, they do not have the permits in place. Even if some do have the permit, that does not necessarily mean that they are ready to proceed.

Chairman Pryor confirmed that building permits have been eliminated but noticed that staff retained the fire code directive. He wanted to know if RIHousing needed fire code approvals.

Ms. Berman responded that it depends on the level of the plan. It's unlikely to have an applicant come in with a plan that is 90% complete but there is that possibility. The fire code provision is in the Plan because various municipalities choose to defer to the discretion of the state. It's mainly based on the readiness to proceed threshold.

Finally, Ms. Berman said that to differentiate more clearly the 4% LIHTC process from the allocated 9% process staff amended the language regarding the process for applying for tax-exempt financing and 4% LIHTC.

Committee Chairman Orth commended staff on the revisions and stated that that it's a good first step in the process. Committee Chairman Orth then inquired whether RIHousing should raise the threshold for the 4% credits.

Ms. Berman remarked that Development does not typically score the tax-exempt applications. Historically, 99% of the applications received were for Section 8 preservation deals. Most of those transactions did not require soft funds. Once ARPA dollars became available, staff scored the tax-exempt applications only on the soft funds. Ms. Berman said that the method appears to work well as much of the scoring for the ancillary financing reflects the QAP guidelines. After this particular round that includes the influx of state and ARPA funds, RIHousing will be back to its original platform.

Ms. Ventura said that RIHousing has never been in this situation, where there is so much funding presented for housing.

Commissioner Barry concurred, saying that Rhode Island is fortunate to have this level of financing for the creation of affordable housing.

There being no further comments or discussion, Committee Chairman Orth thanked the Committee, Chairman Pryor and staff for the constructive conversation. He said that if anyone had additional comments, to reach out to him and/or staff.

Chairman Pryor expressed his appreciation to Committee Chairman Orth and RIHousing for producing a strong and workable Plan.

There being no additional comments or questions, Corinne Myers, General Counsel stated that prior to the vote for the approval, she would restate the recommendation as there were some modifications presented at the meeting.

Ms. Myers restated that the motion is to recommend the Approval of the Proposed 2024 Qualified Allocation Plan (QAP) as modified pursuant to the discussion to (i) clarify marketing to the tenant based voucher holders; (ii) include the previous total development cap limits as a recommendation under item 7 section 3; (iii) clarify special needs points; and (iv) to clarify the appropriateness of supportive services to the homeless population. The Committee Chairman confirmed.

Ms. Berman also mentioned that there is a public hearing scheduled where staff might have additional revisions to the Plan.

Ms. Myers then conducted a voice vote of the Commissioners for the approval of the recommendation as modified at the Credit Committee meeting. The commissioners unanimously voted to approve the motion as modified.

Ms. Myers then officially stated that the recommendation for the Approval of Proposed 2024 Qualified Allocation Plan (QAP) as discussed at the meeting was unanimously approved.

Adjournment

There being no further business to discuss, Committee Chairman Orth asked for a motion to adjourn the meeting. A motion was duly made by Commissioner Designee Cabral and seconded by Commissioner Barry to adjourn the meeting.

Corinne Myers, General Counsel, then conducted a voice vote of the Commissioners. The Commissioners unanimously voted to adjourn the meeting.

The Commissioners unanimously voted to adjourn the meeting at approximately 10:36 a.m.

In closing, Committee Chairman Orth thanked everyone for participating.

Respectfully submitted,

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Carol Ventura
Secretary and Executive Director